IN THE CLAIMS:

Please amend Claims 1, 15 and 28 to read as follows.

1. (Currently Amended) An image processing apparatus for encoding input motion-image data by using <u>intra-frame and</u> inter-frame coding, and encoding input still-image data as pictures for a predetermined period of time by using the same encoding method as the encoding method of the motion-image data, said image processing apparatus comprising:

a memory unit configured to store the input still-image data;

a quantization unit configured to quantize image data;

a control unit configured to control a quantization method in said quantization unit so that a quantization step becomes smaller than a quantization step for motion-image data when still-image data stored in said memory unit is quantized; and

an encoding unit configured to encode still-image data quantized by said quantization unit, and generate encoded still-image data that includes intra-frame coded data and inter-frame coded data, which is an encoded coding error of the intra-frame coded data, and rearrange, within a group of the pictures corresponding to the input still-image data, the inter-frame coded data with respect to the intra-frame coded data.

2.-3. (Canceled)

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